



STEVE COOLEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

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18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER  
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

January 12, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE LOS ANGELES COUNTY DISTRICT ATTORNEY TO ACCEPT 9<sup>TH</sup>  
THROUGH 11<sup>TH</sup> YEAR GRANT FUNDS FROM THE STATE OF CALIFORNIA,  
DEPARTMENT OF INSURANCE (CDI) FOR THE ORGANIZED AUTOMOBILE  
FRAUD INTERDICTION ACTIVITY "URBAN GRANT" PROGRAM FOR  
FISCAL YEAR (FY) 2009-10 THROUGH FY 2011-12  
(ALL DISTRICTS) (4-VOTES)**

**SUBJECT**

The Urban Grant Program supports increased investigation and prosecution of organized automobile insurance fraud activity. The District Attorney is requesting approval to accept grant funds in the amount of \$6,505,000 for the period of July 1, 2009 to June 30, 2012.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Adopt the attached Resolution authorizing the District Attorney to accept three-year grant funds for the Urban Program from the State of California, Department of Insurance (CDI). Funds in the amount of \$6,505,000 have been awarded for the period of July 1, 2009 to June 30, 2012. This program will receive \$3,532,000 for the period of July 1, 2009 to June 30, 2010, which includes approved carryover funds of \$696,000 from the prior year. The Department will then receive \$1,486,500 in each of the following two fiscal years. There is no required County match for this grant.

2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as Project Director and to sign and approve any revisions to the GAA that do not increase the Net County Cost of the Agreement.
4. Approve an appropriation adjustment to increase the District Attorney's FY 2009-10 budget in the amount of \$1,552,000 (Salaries and Employee Benefits - \$956,000; Services and Supplies - \$546,000 and Fixed Assets - \$50,000) for FY 2009-10. The appropriation adjustment represents the difference between the FY 2009-10 grant award of \$3,532,000 and \$1,980,000 that was included in the District Attorney's FY 2009-10 Final Adopted Budget.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On July 14, 2009, the District Attorney's Office (DA) submitted a three-year grant application to CDI for the Urban Grant Program covering FY 2009-10 through FY 2011-12. The DA was awarded \$3,532,000 for the period of July 1, 2009 to June 30, 2010, which includes \$696,000 in FY 2008-09 carryover funds. The Department will then receive \$1,486,500 in each of the following two fiscal years. The FY 2009-10 Final Adopted Budget included \$1,980,000. An appropriation adjustment for the difference of \$1,552,000 is needed in order to align the District Attorney's budget with the full amount awarded to the program.

The objective of the DA's Urban Program is to enhance efforts in the identification, investigation, and prosecution of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. Perpetrators include unscrupulous doctors, chiropractors, lawyers and others engaged in organized automobile insurance fraud.

Board approval is required to accept grant funds and the CDI requires an approved resolution as part of the GAA. The attached resolution has been approved as to form by County Counsel and adoption of the resolution will satisfy County and State requirements.

### **Implementation of Strategic Plan Goals**

Approval of the recommended actions is consistent with the Los Angeles County's Strategic Plan Goal No. 1, Operational Effectiveness, to maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; and Strategic Plan Goal No. 5, Public Safety, to ensure that the committed efforts of the public safety partners continue to maintain and improve the safety and security of the people of Los Angeles County.

### **FISCAL IMPACT/FINANCING**

The total funding awarded to the Urban Program is \$3,532,000 for FY 2009-10, which includes \$696,000 in carryover funds approved by CDI. There is no Net County Cost associated with this program.

The \$1,552,000 appropriation adjustment represents the difference between the total FY 2009-10 Urban grant award of \$3,532,000 and the \$1,980,000 that was included in the District Attorney's FY 2009-10 Final Adopted Budget. Approval of the appropriation adjustment will increase the DA's budget for Salary and Employee Benefits - \$956,000; Services and Supplies - \$546,000, and Fixed Assets for \$50,000.

In light of the State's budget situation, if funding for this program were to be terminated, an evaluation would be conducted to determine whether the program would either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to the provisions of §1874.8 of the California Insurance Code, the CDI is authorized to award and distribute certain funds to District Attorneys submitting plans approved by the Fraud Division for the increased investigation and prosecution of organized automobile insurance fraud activity. The DA has been awarded funding for the Urban Program for the past eight years.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This program does not propose attorney staff augmentation. Therefore, the DA is not subject to the Board motion of December 15, 1998 requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

**CONCLUSION**

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two (2) copies of the adopted Board Letter, and two (2) copies of the executed Resolution to Ms. Emily Aidells, District Attorney's Office, 201 N. Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Aidells at (213) 202-7674.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'S. Cooley', followed by a large, stylized circular flourish.

STEVE COOLEY  
District Attorney

Attachments

c: Chief Executive Officer  
Acting County Counsel  
Executive Officer, Board of Supervisors

1                                   **BOARD OF SUPERVISORS**  
2                                   **COUNTY OF LOS ANGELES**  
3                                   **RESOLUTION**

4                   Authorization to Accept Grant Award Funds From  
5                   The State of California, Department of Insurance  
6                   For the Organized Automobile Fraud Interdiction Activity  
7                   "Urban Grant" Program

8                   **WHEREAS**, the provisions of §1874.8 of the California  
9 Insurance Code authorize the State Department of Insurance to award and  
10 distribute certain funds to District Attorneys submitting plans approved by  
11 the Fraud Division for the increased investigation and prosecution of  
12 organized automobile insurance fraud activity; and

13                   **WHEREAS**, the District Attorney of Los Angeles County is  
14 charged with providing prosecution of all felony crimes, including organized  
15 automobile insurance fraud and economic auto theft activity within this  
16 County; and

17                   **WHEREAS**, the Board of Supervisors of Los Angeles County  
18 recognizes that fraudulent organized automobile claims are costing our  
19 citizens millions of dollars annually; and

20                   **WHEREAS**, The County of Los Angeles, acting through its Board  
21 of Supervisors, desires continued participation for another three-year grant  
22 period in the program entitled the "Urban Grant"; and

23                   **WHEREAS**, the State of California, Department of Insurance has  
24 awarded grant funds to the District Attorney's Office for the Urban Grant Program  
25 for Fiscal Years 2009-2010, 2010-2011, and 2011-2012;

26                   **NOW THEREFORE, BE IT RESOLVED** that the County of Los Angeles  
Board of Supervisors hereby approves acceptance of grant funds in the amount of

1 \$3,532,000 for FY 2009-010, and \$1,486,500 each for the following two fiscal  
2 years, to be used exclusively for the designated program;

3 **BE IT FURTHER RESOLVED** that the County of Los Angeles  
4 hereby authorizes the District Attorney or his designee to serve as Project  
5 Director, on behalf of the County of Los Angeles, to sign and approve on  
6 behalf of the Board of Supervisors the Grant Award Agreement including any  
7 extensions or submission of amendments, progress reports, and payment  
8 requests thereof;

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**Los Angeles County Chief Executive Office**  
**Grant Management Statement for Grants Exceeding \$100,000**

**Department:** District Attorney

**Grant Project Title and Description**      **Auto Fraud "Urban Grant" Program**

The State Organized Automobile Fraud Interdiction Activity "Urban Grant" Program combats organized automobile insurance fraud and economic auto theft activity in California's urban areas. This program is designed to increase the investigation and prosecution of this widespread crime in Los Angeles County. The Los Angeles County District Attorney's Office, with the collaboration of the California Highway Patrol, CDI, and the Los Angeles Police Department has broken up numerous staging gangs that have caused millions of dollars in losses.

**Funding Agency**

California Department of Insurance

**Program (Fed. Grant # /State Bill or Code #)**

Urban Grant (AB1050)

**Grant Acceptance Deadline**

**Total Amount of Grant Funding:** \$3,532,000

**County Match:** \$0

**Grant Period:** FY2009-2010    **Begin Date:** July 1, 2009

**End Date:** June 30, 2010

**Number of Personnel Hired Under This Grant:** 19

**Full Time:** 17    **Part Time:** 2

**Obligations Imposed on the County When the Grant Expires**

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒  
(Describe) \_\_\_\_\_

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

**Impact of additional personnel on existing space:** None

**Other requirements not mentioned above:** None

**Department Head Signature** \_\_\_\_\_

*S.L. Camacho*

**Date** 11/23/09



## COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF DISTRICT ATTORNEY'S OFFICE

DEPT'S.  
NO. 370

December 8, 2009

## AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009-2010

4 - VOTES

SOURCES

Please see attached.

USES

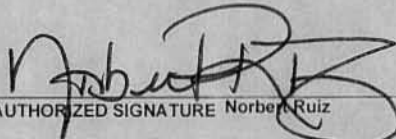
Please see attached.

SOURCES TOTAL: \$ 1,552,000

USES TOTAL: \$ 1,552,000

JUSTIFICATION

This Budget Adjustment allocates the unbudgeted revenue from the State of California, Department of Insurance for the Organized Automobile Fraud Interdiction Activity "Urban Grant" Program. The additional appropriation is necessary in order to successfully implement the program.

  
AUTHORIZED SIGNATURE Norbert Ruiz

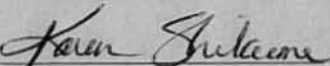
BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR --☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

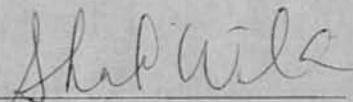
B.A. NO. 076

BY

  
Dec 29 20 09☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

  
December 29 20 09



### SOURCES

District Attorney  
A01 - DA - 88 - 8831 - 14030  
State - Other \$1,552,000  
Increase Revenue

**Total: \$1,552,000**

### USES

District Attorney  
A01 - DA - 1000 - 14030  
Salaries & Employee Benefits \$956,000  
Increase Appropriation

District Attorney  
A01 - DA - 2000 - 14030  
Services & Supplies \$546,000  
Increase Appropriation

District Attorney  
A01 - DA - 6030 - 14030  
Fixed Assets - Equipment \$50,000  
Increase Appropriation

**Total: \$1,552,000**

BA # 076 Karen Siskume 12/29/09